



State of Washington  
Department of Revenue

# Excise Tax Advisory

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CONVERSION DATE: July 1, 1998

## SALES OF VEHICLES TO NONRESIDENT SERVICEMEN STATIONED IN THIS STATE

Issued September 16, 1966

What are the rules governing Sales Tax exemptions on sales of vehicles to nonresident servicemen stationed in this state?

The taxpayer, an automobile retail dealer, sold automobiles to military personnel stationed in this state which were to be licensed in the servicemen's home states. The servicemen signed the appropriate affidavit prescribed in Rule 177, submitted evidence of being in the military service, and obtained one-transit permits for exemptions from the Washington Sales Tax. In a second situation, the grounds claimed by the servicemen for the Sales Tax exemption was that they would license the vehicles with plates from their home states rather than moving the vehicles from the state under the aforementioned one-transit permits.

The Tax Commission held as to the first situation that, if the servicemen removed the vehicles to a point outside the state under the authority of one-transit permits, as is contemplated by the exemption statute RCW 82.08.030(13), then the appropriate affidavit noted in Rule 177 should have been taken and the taxpayer's certification to the affidavit should have been appended in order to claim exemption from the Retail Sales Tax. However, where as in the second case, the grounds for the exemption of the nonresident servicemen were that they would license the vehicles with plates from their home states instead of removing them from the state under the authority of one-transit permits, the Commission ruled that the license plates from their home states should have been secured and affixed to the vehicles before delivery was effected, and the appropriate affidavit with the taxpayer's certification as outlined in Rule 177 should have been executed before the Sales Tax exemption was claimed. (Letter.)

***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.***

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